

CITY OF ELKHART, KANSAS
Elkhart, Kansas

FINANCIAL STATEMENTS
For the year ended December 31, 2015

CITY OF ELKHART, KANSAS

FINANCIAL STATEMENTS

For the year ended December 31, 2015

TABLE OF CONTENTS

	<u>Page Number</u>
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
<u>Statement 1</u>	
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	4
Notes to the Financial Statements	6
 <u>REGULATORY–REQUIRED SUPPLEMENTARY INFORMATION</u>	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget – Regulatory Basis	20
 <u>Schedules of Receipts and Expenditures – Actual and Budget – Regulatory Basis</u>	
Schedule 2-1: General Fund	22
Schedule 2-2: Employees' Benefits Fund	25
Schedule 2-3: Fire Equipment Replacement Fund	26
Schedule 2-4: Special City Streets and Highways Fund	27
Schedule 2-5: Special Park and Recreation Fund	28
Schedule 2-6: Bond and Interest Fund	29
Schedule 2-7: Revenue Fund for Sales Tax Revenue Bonds Series 1994	30
Schedule 2-8: Water System Fund	31
Schedule 2-9: Water Equipment Replacement Fund	32
Schedule 2-10: Sanitation Service Fund	33
Schedule 2-11: Sanitation Equipment Replacement Fund	34
Schedule 2-12: Sewer System Fund	35
Schedule 2-13: Sewer Equipment Replacement Fund	36

CITY OF ELKHART, KANSAS

FINANCIAL STATEMENTS

For the year ended December 31, 2015

TABLE OF CONTENTS

(Continued)

Page
Number

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

(Continued)

Schedules of Receipts and Expenditures – Regulatory Basis

Schedule 2-14:	Water Customer Deposits Fund	38
Schedule 2-15:	Whistle Stop Park Bequest Fund	39
Schedule 2-16:	Safe Park Equipment Fund	40
Schedule 2-17:	Piano Bequest Fund	41
Schedule 2-18:	Animal Foundation Fund	42
Schedule 2-19:	Morton Street Improvements Fund	43
Schedule 2-20:	100th Celebration Fund	44
Schedule 2-21:	Special Law Enforcement Trust Fund	45

CITY OF ELKHART, KANSAS

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Elkhart, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Elkhart, Kansas, as of and for the year ended December 31, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

To the City Council
City of Elkhart, Kansas

Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Elkhart, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Elkhart, Kansas as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Elkhart, Kansas as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial

To the City Council
City of Elkhart, Kansas

Page 3

statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement upon which we rendered an unmodified opinion dated July 27, 2016. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

Hay•Rice & Associates, Chartered

July 27, 2016

CITY OF ELKHART, KANSAS

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASHREGULATORY BASIS

For the year ended December 31, 2015

<u>Funds</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Add</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
General	\$ 540,284	\$ 922,300	\$ 862,063	\$ 600,521	\$ 18,801	\$ 619,322
Special Purpose Funds:						
Employees' Benefits	112,639	186,664	201,128	98,175	136	98,311
Fire Equipment Replacement	311,618	38,548	563	349,603	-	349,603
Special City Streets and Highways	140,397	55,826	8,242	187,981	-	187,981
Special Park and Recreation	19,923	-	4,536	15,387	-	15,387
Revenue Fund for Sales Tax						
Revenue Bonds Series 1994	672,745	187,208	156,012	703,941	-	703,941
Debt Service:						
Bond and Interest	276,709	49,000	93,538	232,171	-	232,171
Capital Project Funds:						
Morton Street Improvements	(15,708)	-	-	(15,708)	-	(15,708)
Business Funds – Enterprise Type Funds:						
Water System:						
Operating	131,462	354,354	449,646	36,170	10,103	46,273
Customer Deposit	-	8,922	8,922	-	92,837	92,837
Equipment Replacement	80,532	30,000	-	110,532	-	110,532
Sanitation System:						
Operating	21,650	254,477	233,929	42,198	-	42,198
Equipment Replacement	117,796	-	-	117,796	-	117,796
Sewer System:						
Operating	36,494	104,456	132,498	8,452	1,117	9,569
Equipment Replacement	41,693	6,000	-	47,693	-	47,693
Fiduciary Type Funds – Trust Funds:						
Whistle Stop Park Bequest	13,537	275	6,119	7,693	-	7,693
Safe Park Equipment	4,495	-	-	4,495	-	4,495
Piano Bequest	555	-	-	555	-	555
Animal Foundation	2,322	140	-	2,462	-	2,462
Special Law Enforcement Trust	<u>2,307</u>	<u>-</u>	<u>-</u>	<u>2,307</u>	<u>-</u>	<u>2,307</u>
Total Reporting Entity	<u>\$2,511,450</u>	<u>\$2,198,170</u>	<u>\$2,157,196</u>	<u>\$2,552,424</u>	<u>\$122,994</u>	<u>\$2,675,418</u>

The notes to the financial statement are an integral part of this statement.

CITY OF ELKHART, KANSAS

Statement 1
(Continued)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS

For the year ended December 31, 2015

Ending Cash Balance		<u>\$2,675,418</u>
Composition of Cash:		
Cash on hand with City Clerk	\$	600
Deposits in Local Depositories:		
Checking accounts		155,001
Time deposits		<u>2,519,817</u>
Total Reporting Entity		<u>\$2,675,418</u>

The notes to the financial statement are an integral part of this statement.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Elkhart is a municipal corporation governed by an elected seven member council. This regulatory financial statement presents the City of Elkhart (the municipality). A related municipal entity is defined as an entity legally separate from the City, which has a significant dependence on, or relationship with the City. Based upon the criteria used to evaluate potential related municipal entities, it was determined there were no related municipal entities to present with the municipality's financial statement.

Advisory Boards

The City Council is responsible for appointing members of the Board of Appeals and the Planning Commission. Neither board has any budgetary or disbursing authority. Their function is solely to advise the City Council and, therefore, is a part of the municipality.

Jointly Governed Organizations

The City, in conjunction with Jones, Taloga and Cimarron Townships, has created the Elkhart Cemetery District. The Elkhart Cemetery District's board consists of one representative from each of the participating entities.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year of 2015:

Governmental Funds:

General Fund – The Chief Operating Fund – used to account for all resources except those required to be accounted for in another fund.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued):

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Funds – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Funds:

Enterprise Funds – to account for operations that are financed and operated in a manner similar to private business enterprises – where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges – or where periodic determination of revenue earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds:

Trust Funds – used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency Funds – used to report assets held by the municipal reporting entity in a purely custodial capacity.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Other Accounting Policies

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate. Deposits are carried at cost.

In accordance with K.S.A. 9-1402 and K.S.A. 12-1675, the City of Elkhart, Kansas deposited and/or invested all funds with the Colorado East Bank and Trust.

State statutes and local bond ordinances authorize the City to invest in obligations of the U. S. Treasury and certificates of deposit at local financial institutions.

Special Assessments

Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund.

Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such amendments for this year.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Water Customer Deposits Fund
100th Celebration Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payments.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by Morton County.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

Taxes levied to finance the budget are made available to the City of Elkhart, Kansas after the first of the year and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed annually.

Note 2: Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

Contrary to the provisions of KSA 10-1117 and KSA 79-2934, the City Clerk did not maintain a formal encumbrance record or an unencumbered budget balance record.

No other statutory violations were noted during the audit.

Fund Balances – Designated for Subsequent Year's Budget

Actual cash carryover was not sufficient for the following funds:

	<u>2015</u> <u>Unencumbered</u> <u>Cash Balance</u>	<u>2016 Budgeted</u> <u>Unencumbered</u> <u>Cash Carryover</u>
Water Fund	\$ 36,170	\$ 69,000
Sales Tax Revenue Fund	703,941	770,976
Sewer System Fund	8,452	12,548
Special Park and Recreation Fund	15,387	20,000
Special Highway Fund	187,981	196,000
Special Fire Fund	349,603	350,000

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 3: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City of Elkhart. The statute requires banks eligible to hold the City of Elkhart's funds have a main or branch bank in the county in which the City of Elkhart is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City of Elkhart has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City of Elkhart's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City of Elkhart has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – State statutes place no limit on the amount the City of Elkhart may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the City of Elkhart's deposits may not be returned to it. State statutes require the City of Elkhart's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2015.

At December 31, 2015, the City of Elkhart's carrying amount of deposits was \$2,675,418 and the bank balance was \$2,709,299. Of the bank balance, \$250,000 was covered by federal depository insurance, \$2,459,299 was collateralized with securities held by the pledging financial institutions' agents in the City of Elkhart's name.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City of Elkhart will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 4: Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Water Fund	Water Equipment Replacement Fund	KSA 12-825d	\$ 30,000
Sewer Fund	Sewer Equipment Replacement Fund	KSA 12-6310	6,000
Sales Tax Revenue Fund	Bond and Interest Fund	KSA 12-187	46,769

Note 5: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The City of Elkhart, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 5: Defined Benefit Pension Plan (Continued)

Contributions (Continued)

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.48% for the fiscal year ended December 31, 2015. Contributions to the pension plan from the City of Elkhart were \$99,367 for the year ended December 31, 2015.

Net Pension Liability

At December 31, 2015, the City of Elkhart's proportionate share of the collective net pension liability reported by KPERS was \$464,187. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The City of Elkhart's proportion of the net pension liability was based on the ratio of the City of Elkhart's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 6: Other Long-Term Obligations from Operations

Compensated Absences

Sick and Vacation Leave

All full-time regular employees are to accrue vacation leave as follows:

- 1 Full year of service – 10 Working days
- 10 Years of service – 15 Working days
- 15 Years of service – 20 Working days

Up to 5 days of unused vacation days may be carried over to the next year but must be used by June 30 of that year.

If an employee is in good standing upon termination of their employment, they may receive monetary compensation for any unused vacation leave.

All full-time regular employees are to accrue sick leave one day for each month of service, not to exceed 90 days. No employee is to receive monetary remuneration for unused sick leave upon termination of their employment.

Deferred Compensation

The City of Elkhart offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation assets, which are funded currently with third party investment companies, are not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City, subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant. The City of Elkhart believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 6: Other Long-Term Obligations from Operations (Continued)

Deferred Compensation (Continued)

The following is a summary of activity for the year ended December 31, 2015:

Beginning account value	\$153,510
Contributions	5,124
Fees	(221)
Change in investment value	<u>(2,029)</u>
Ending account balance	<u>\$156,384</u>

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City of Elkhart, Kansas allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City of Elkhart, Kansas is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City of Elkhart, Kansas makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Note 7: Subsequent Events

The City of Elkhart's management has evaluated events and transactions through July 27, 2016, the date which the financial statement was available to be issued.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

(Continued)

Note 8: Long-Term Debt

Changes in long-term liabilities for the City of Elkhart for the year ended December 31, 2015 were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation									
Bond Series 2010B1	1%-3%	7/23/10	\$825,000	9/01/20	\$540,000	\$ -	\$ 80,000	\$460,000	\$13,537
Capital Leases Payable:									
Vermeer Vacuum Pump	2.95%	01/21/14	54,769	01/21/15	26,986	-	26,986	-	796
Elgin Street Sweeper	4.169%	08/04/15	168,867	08/04/18	-	168,867	44,888	123,979	-
Total Contractual Indebtedness					<u>\$566,986</u>	<u>\$168,867</u>	<u>\$151,874</u>	<u>\$583,979</u>	<u>\$14,333</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Principal:						
General obligation bond	\$ 85,000	\$ 90,000	\$ 90,000	\$ 95,000	\$100,000	\$460,000
Capital leases payable	<u>39,619</u>	<u>41,302</u>	<u>43,058</u>	<u>-</u>	<u>-</u>	<u>123,979</u>
Total principal	<u>\$124,619</u>	<u>\$131,302</u>	<u>\$133,058</u>	<u>\$ 95,000</u>	<u>\$100,000</u>	<u>\$583,979</u>
Interest:						
General obligation bond	\$ 12,038	\$ 10,231	\$ 8,094	\$ 5,731	\$ 3,000	\$ 39,094
Capital leases payable	<u>5,269</u>	<u>3,585</u>	<u>1,830</u>	<u>-</u>	<u>-</u>	<u>10,684</u>
Total interest	<u>\$ 17,307</u>	<u>\$ 13,816</u>	<u>\$ 9,924</u>	<u>\$ 5,731</u>	<u>\$ 3,000</u>	<u>\$ 49,778</u>
Total Principal and Interest	<u>\$141,926</u>	<u>\$145,118</u>	<u>\$142,982</u>	<u>\$100,731</u>	<u>\$103,000</u>	<u>\$633,757</u>

CITY OF ELKHART, KANSAS

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF ELKHART, KANSAS

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended December 31, 2015

<u>Funds</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General	\$1,249,000	\$ 862,063	\$ (386,937)
Special Purpose Funds:			
Employees' Benefits	253,000	201,128	(51,872)
Fire Equipment Replacement	348,750	563	(348,187)
Special City Streets and Highways	256,000	8,242	(247,758)
Special Park and Recreation	21,000	4,536	(16,464)
Revenue Fund for Sales Tax			
Revenue Bonds Series 1994	857,539	156,012	(701,527)
Debt Service:			
Bond and Interest	322,618	93,538	(229,080)
Business Funds – Enterprise Funds:			
Water System:			
Operating	690,000	449,646	(240,354)
Equipment Replacement	365,000	-	(365,000)
Sanitation System:			
Operating	247,000	233,929	(13,071)
Equipment Replacement	134,000	-	(134,000)
Sewer System:			
Operating	175,000	132,498	(42,502)
Equipment Replacement	47,000	-	(47,000)
	<u>\$4,965,907</u>	<u>\$2,142,155</u>	<u>\$ (2,823,752)</u>

CITY OF ELKHART, KANSAS

Schedule 2

SCHEDULES OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

CITY OF ELKHART, KANSAS

Schedule 2-1

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Taxes and Shared Receipts:				
Ad valorem property tax	\$403,958	\$409,773	\$ (5,815)	\$420,022
Delinquent tax	12,539	5,042	7,497	7,924
Motor vehicle tax	81,033	78,261	2,772	78,859
Recreational vehicle tax	1,428	1,567	(139)	1,542
16/20M vehicle tax	1,887	1,972	(85)	1,489
Local sales tax	<u>187,208</u>	<u>145,000</u>	<u>42,208</u>	<u>144,918</u>
Total taxes	<u>\$688,053</u>	<u>\$641,615</u>	<u>\$ 46,438</u>	<u>\$654,754</u>
Intergovernmental:				
Federal government taxes in lieu of	\$ 4,171	\$ 4,500	\$ (329)	\$ 4,652
Liquor tax	-	500	(500)	-
Total intergovernmental	<u>\$ 4,171</u>	<u>\$ 5,000</u>	<u>\$ (829)</u>	<u>\$ 4,652</u>
Licenses, Permits, and Fees:				
Permits	\$ 984	\$ 1,000	\$ (16)	\$ 1,286
Licenses	1,155	1,000	155	339
Franchise tax	<u>126,499</u>	<u>114,000</u>	<u>12,499</u>	<u>118,485</u>
Total licenses, permits, and fees	<u>\$128,638</u>	<u>\$116,000</u>	<u>\$ 12,638</u>	<u>\$120,110</u>
Charges for Services:				
Swimming pool and concessions	<u>\$ 18,900</u>	<u>\$ 21,500</u>	<u>\$ (2,600)</u>	<u>\$ 16,429</u>
Fines, Forfeitures, and Penalties:				
Police	\$ 8,339	\$ 8,500	\$ (161)	\$ 4,068
Dog pound	1,821	4,000	(2,179)	2,336
Fire	-	-	-	2,000
Total fines, forfeitures, & penalties	<u>\$ 10,160</u>	<u>\$ 12,500</u>	<u>\$ (2,340)</u>	<u>\$ 8,404</u>
Use of Money and Property:				
Interest on time deposits	\$ 3,424	\$ 2,750	\$ 674	\$ 2,507
Rentals and royalties	<u>13,608</u>	<u>10,000</u>	<u>3,608</u>	<u>16,513</u>
Total use of money and property	<u>\$ 17,032</u>	<u>\$ 12,750</u>	<u>\$ 4,282</u>	<u>\$ 19,020</u>
Miscellaneous:				
Other	<u>\$ 55,346</u>	<u>-</u>	<u>\$ 55,346</u>	<u>\$ 11,976</u>
Total Receipts	<u>\$922,300</u>	<u>\$809,365</u>	<u>\$112,935</u>	<u>\$835,345</u>

CITY OF ELKHART, KANSAS

Schedule 2-1
(Continued)

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures</u>				
General Government:				
Personal services	\$134,219	\$189,500	\$ (55,281)	\$132,253
Contractual services	46,330	45,000	1,330	45,730
Commodities	25,394	20,000	5,394	25,275
Capital outlay	-	300,000	(300,000)	14,318
Total general government	<u>\$205,943</u>	<u>\$554,500</u>	<u>\$ (348,557)</u>	<u>\$217,576</u>
Public Safety – Police:				
Personal services	\$113,348	\$120,000	\$ (6,652)	\$ 96,336
Contractual services	52,407	50,000	2,407	43,834
Commodities	16,671	30,000	(13,329)	15,438
Capital outlay	25,135	-	25,135	-
Total public safety – Police	<u>\$207,561</u>	<u>\$200,000</u>	<u>\$ 7,561</u>	<u>\$155,608</u>
Public Safety – Fire:				
Personal services	\$ 6,281	\$ 10,000	\$ (3,719)	\$ 6,283
Contractual services	22,744	24,000	(1,256)	23,108
Commodities	7,009	10,000	(2,991)	6,453
Capital outlay	8,611	-	8,611	-
Total public safety – Fire	<u>\$ 44,645</u>	<u>\$ 44,000</u>	<u>\$ 645</u>	<u>\$ 35,844</u>
Public Safety – Animal Shelter:				
Personal services	\$ 5,169	\$ 7,000	\$ (1,831)	\$ 3,826
Contractual services	6,470	7,000	(530)	6,323
Commodities	3,870	3,000	870	2,422
Capital outlay	1,070	-	1,070	-
Total public safety – Animal shelter	<u>\$ 16,579</u>	<u>\$ 17,000</u>	<u>\$ (421)</u>	<u>\$ 12,571</u>

CITY OF ELKHART, KANSAS

Schedule 2-1
(Continued)

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures</u> (Continued)				
Highways and Streets:				
Personal services	\$115,066	\$ 138,000	\$ (22,934)	\$122,935
Contractual services	36,699	30,000	6,699	25,603
Commodities	33,012	40,000	(6,988)	36,596
Capital outlay	<u>6,946</u>	<u>10,000</u>	<u>(3,054)</u>	<u>9,657</u>
Total highways and streets	<u>\$191,723</u>	<u>\$ 218,000</u>	<u>\$ (26,277)</u>	<u>\$194,791</u>
Parks:				
Personal services	\$ 42,560	\$ 48,000	\$ (5,440)	\$ 40,861
Contractual services	20,639	20,000	639	21,561
Commodities	<u>8,391</u>	<u>12,500</u>	<u>(4,109)</u>	<u>7,327</u>
Total parks	<u>\$ 71,590</u>	<u>\$ 80,500</u>	<u>\$ (8,910)</u>	<u>\$ 69,749</u>
Swimming Pool:				
Personal services	\$ 28,122	\$ 30,000	\$ (1,878)	\$ 24,363
Contractual services	16,226	20,000	(3,774)	17,846
Commodities	<u>18,869</u>	<u>20,000</u>	<u>(1,131)</u>	<u>25,895</u>
Total swimming pool	<u>\$ 63,217</u>	<u>\$ 70,000</u>	<u>\$ (6,783)</u>	<u>\$ 68,104</u>
Street Lighting:				
Contractual services	<u>\$ 60,805</u>	<u>\$ 65,000</u>	<u>\$ (4,195)</u>	<u>\$ 62,815</u>
Total Expenditures	<u>\$862,063</u>	<u>\$1,249,000</u>	<u>\$ (386,937)</u>	<u>\$817,058</u>
Receipts Over (Under) Expenditures	\$ 60,237			\$ 18,287
Unencumbered Cash, Beginning	<u>540,284</u>			<u>521,997</u>
Unencumbered Cash, Ending	<u>\$600,521</u>			<u>\$540,284</u>

CITY OF ELKHART, KANSAS

Schedule 2-2

EMPLOYEES' BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Taxes and Shared Receipts:				
Ad valorem property tax	\$155,734	\$158,000	\$ (2,266)	\$128,339
Delinquent tax	5,282	1,505	3,777	3,003
Motor vehicle tax	23,115	23,913	(798)	20,886
16/20M vehicle tax	513	603	(90)	759
Recreational vehicle tax	<u>412</u>	<u>479</u>	<u>(67)</u>	<u>405</u>
Total taxes	\$185,056	\$184,500	\$ 556	\$153,392
Intergovernmental:				
Federal government taxes in lieu of	<u>1,608</u>	<u>500</u>	<u>1,108</u>	<u>1,421</u>
Total Receipts	<u>\$186,664</u>	<u>\$185,000</u>	<u>\$ 1,664</u>	<u>\$154,813</u>
<u>Expenditures</u>				
Employees' Benefits:				
Social Security	\$ 32,492	\$ 38,500	\$ (6,008)	\$ 31,380
KPERS	39,270	38,500	770	35,611
Unemployment	426	500	(74)	409
Insurance	<u>128,940</u>	<u>175,500</u>	<u>(46,560)</u>	<u>135,460</u>
Total Expenditures	<u>\$201,128</u>	<u>\$253,000</u>	<u>\$ (51,872)</u>	<u>\$202,860</u>
Receipts Over (Under) Expenditures	\$ (14,464)			\$ (48,047)
Unencumbered Cash, Beginning	<u>112,639</u>			<u>160,686</u>
Unencumbered Cash, Ending	<u>\$ 98,175</u>			<u>\$112,639</u>

CITY OF ELKHART, KANSAS

Schedule 2-3

FIRE EQUIPMENT REPLACEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Taxes and Shared Receipts:				
Ad valorem property tax	\$ 31,489	\$ 32,253	\$ (764)	\$ 29,415
Delinquent tax	946	493	453	573
Motor vehicle tax	5,560	5,481	79	5,278
16/20M vehicle tax	129	138	(9)	117
Recreational vehicle tax	<u>99</u>	<u>110</u>	<u>(11)</u>	<u>103</u>
Total taxes	\$ 38,223	\$ 38,475	\$ (252)	\$ 35,486
Intergovernmental:				
Federal government taxes in lieu of	<u>325</u>	<u>275</u>	<u>50</u>	<u>326</u>
Total Receipts	\$ <u>38,548</u>	\$ <u>38,750</u>	\$ <u>(202)</u>	\$ <u>35,812</u>
<u>Expenditures</u>				
Public Safety – Fire:				
Contractual services	\$ 563	\$ -	\$ 563	\$ 90
Capital outlay	<u>-</u>	<u>348,750</u>	<u>(348,750)</u>	<u>-</u>
Total Expenditures	\$ <u>563</u>	\$ <u>348,750</u>	\$ <u>(348,187)</u>	\$ <u>90</u>
Receipts Over (Under) Expenditures	\$ 37,985			\$ 35,722
Unencumbered Cash, Beginning	<u>311,618</u>			<u>275,896</u>
Unencumbered Cash, Ending	<u>\$349,603</u>			<u>\$311,618</u>

CITY OF ELKHART, KANSAS

Schedule 2-4

SPECIAL CITY STREETS AND HIGHWAYS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Intergovernmental:				
Gasoline tax	\$ <u>55,826</u>	\$ <u>56,000</u>	\$ <u>(174)</u>	\$ <u>55,582</u>
<u>Expenditures</u>				
Highways and Streets:				
Contractual services	\$ <u>8,242</u>	\$ <u>50,000</u>	\$ <u>(41,758)</u>	\$ <u>10,028</u>
Capital outlay	<u>-</u>	<u>206,000</u>	<u>(206,000)</u>	<u>51,128</u>
Total Expenditures	\$ <u>8,242</u>	\$ <u>256,000</u>	\$ <u>(247,758)</u>	\$ <u>61,156</u>
Receipts Over (Under) Expenditures	\$ <u>47,584</u>			\$ <u>(5,574)</u>
Unencumbered Cash, Beginning	<u>140,397</u>			<u>145,971</u>
Unencumbered Cash, Ending	\$ <u>187,981</u>			\$ <u>140,397</u>

CITY OF ELKHART, KANSAS

Schedule 2-5

SPECIAL PARK AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Intergovernmental:				
Liquor tax	<u>-</u>	<u>\$ 500</u>	<u>\$ (500)</u>	<u>-</u>
<u>Expenditures</u>				
Contractual services	<u>\$ 563</u>	<u>\$ 21,000</u>	<u>\$ (20,437)</u>	<u>\$ 399</u>
Commodities	<u>3,973</u>	<u>-</u>	<u>3,973</u>	<u>-</u>
Total Expenditures	<u>\$ 4,536</u>	<u>\$ 21,000</u>	<u>\$ (16,464)</u>	<u>\$ 399</u>
Receipts Over (Under) Expenditures	<u>\$ (4,536)</u>			<u>\$ (399)</u>
Unencumbered Cash, Beginning	<u>19,923</u>			<u>20,322</u>
Unencumbered Cash, Ending	<u>\$ 15,387</u>			<u>\$ 19,923</u>

CITY OF ELKHART, KANSAS

Schedule 2-6

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Taxes and Shared Receipts:				
Motor vehicle tax	\$ 1,480	-	\$ 1,480	\$ 6,952
Recreational vehicle tax	23	-	23	135
16/20 M Vehicle tax	164	-	164	140
Delinquent tax	<u>564</u>	<u>-</u>	<u>564</u>	<u>612</u>
Total taxes	\$ 2,231	\$ -	\$ 2,231	\$ 7,839
Miscellaneous:				
Operating transfers	<u>46,769</u>	<u>46,769</u>	<u>-</u>	<u>44,878</u>
Total Receipts	\$ <u>49,000</u>	\$ <u>46,769</u>	\$ <u>2,231</u>	\$ <u>52,717</u>
<u>Expenditures</u>				
Bond principal	\$ 80,000	\$ 80,000	\$ -	\$ 75,000
Interest coupons	13,537	13,538	(1)	14,756
Miscellaneous	<u>1</u>	<u>229,080</u>	<u>(229,079)</u>	<u>1</u>
Total Expenditures	\$ <u>93,538</u>	\$ <u>322,618</u>	\$ <u>(229,080)</u>	\$ <u>89,757</u>
Receipts Over (Under) Expenditures	\$ (44,538)			\$ (37,040)
Unencumbered Cash, Beginning	<u>276,709</u>			<u>313,749</u>
Unencumbered Cash, Ending	<u>\$232,171</u>			<u>\$276,709</u>

CITY OF ELKHART, KANSAS

Schedule 2-7

REVENUE FUND FOR SALES TAX
REVENUE BONDS SERIES 1994
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Sales tax	\$ <u>187,208</u>	\$ <u>145,000</u>	\$ <u>42,208</u>	\$ <u>144,918</u>
<u>Expenditures</u>				
Capital outlay	\$109,243	\$810,770	\$ (701,527)	\$ 39,711
Operating transfers	<u>46,769</u>	<u>46,769</u>	<u>-</u>	<u>44,879</u>
Total Expenditures	\$ <u>156,012</u>	\$ <u>857,539</u>	\$ <u>(701,527)</u>	\$ <u>84,590</u>
Receipts Over (Under) Expenditures	\$ 31,196			\$ 60,328
Unencumbered Cash, Beginning	<u>672,745</u>			<u>612,417</u>
Unencumbered Cash, Ending	\$ <u>703,941</u>			\$ <u>672,745</u>

CITY OF ELKHART, KANSAS

Schedule 2-8

WATER SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Charges for Services:				
Water sales to customers	\$335,890	\$400,000	\$ (64,110)	\$365,839
Penalties and forfeitures	8,684	10,000	(1,316)	9,901
Other	6,105	10,000	(3,895)	7,571
Taps	<u>3,600</u>	<u>-</u>	<u>3,600</u>	<u>1,100</u>
Total charges for services	\$354,279	\$420,000	\$ (65,721)	\$384,411
Use of Money and Property:				
Interest on time deposits	<u>75</u>	<u>-</u>	<u>75</u>	<u>48</u>
Total Receipts	<u>\$354,354</u>	<u>\$420,000</u>	<u>\$ (65,646)</u>	<u>\$384,459</u>
<u>Expenditures</u>				
Personal services	\$247,365	\$165,000	\$ 82,365	\$242,200
Contractual services	108,195	140,000	(31,805)	111,914
Commodities	42,592	50,000	(7,408)	41,035
Capital outlay	21,494	50,000	(28,506)	58,882
Operating transfers	<u>30,000</u>	<u>285,000</u>	<u>(255,000)</u>	<u>30,000</u>
Total Expenditures	<u>\$449,646</u>	<u>\$690,000</u>	<u>\$ (240,354)</u>	<u>\$484,031</u>
Receipts Over (Under) Expenditures	\$ (95,292)			\$ (99,572)
Unencumbered Cash, Beginning	<u>131,462</u>			<u>231,034</u>
Unencumbered Cash, Ending	<u>\$ 36,170</u>			<u>\$131,462</u>

CITY OF ELKHART, KANSAS

Schedule 2-9

WATER EQUIPMENT REPLACEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Operating transfers	\$ 30,000	<u>\$285,000</u>	<u>\$ (255,000)</u>	\$ 30,000
<u>Expenditures</u>				
Capital outlay	<u>-</u>	<u>\$365,000</u>	<u>\$ (365,000)</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 30,000			\$ 30,000
Unencumbered Cash, Beginning	<u>80,532</u>			<u>50,532</u>
Unencumbered Cash, Ending	<u>\$110,532</u>			<u>\$ 80,532</u>

CITY OF ELKHART, KANSAS

Schedule 2-10

SANITATION SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Charges for Services:				
Service charges	\$254,472	\$222,000	\$ 32,472	\$222,185
Use of Money and Property:				
Interest on time deposits	<u>5</u>	<u>-</u>	<u>5</u>	<u>3</u>
Total Receipts	<u>\$254,477</u>	<u>\$222,000</u>	<u>\$ 32,477</u>	<u>\$222,188</u>
<u>Expenditures</u>				
Contractual services	\$233,880	\$230,000	\$ 3,880	\$232,168
Commodities	49	-	49	82
Operating transfers	<u>-</u>	<u>17,000</u>	<u>(17,000)</u>	<u>-</u>
Total Expenditures	<u>\$233,929</u>	<u>\$247,000</u>	<u>\$ (13,071)</u>	<u>\$232,250</u>
Receipts Over (Under) Expenditures	\$ 20,548			\$ (10,062)
Unencumbered Cash, Beginning	<u>21,650</u>			<u>31,712</u>
Unencumbered Cash, Ending	<u>\$ 42,198</u>			<u>\$ 21,650</u>

CITY OF ELKHART, KANSAS

Schedule 2-11

SANITATION EQUIPMENT REPLACEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015
 (with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Operating transfers	-	\$ <u>17,000</u>	\$ <u>(17,000)</u>	-
<u>Expenditures</u>				
Capital outlay	<u>-</u>	<u>\$134,000</u>	<u>\$ (134,000)</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ -			\$ -
Unencumbered Cash, Beginning	<u>117,796</u>			<u>117,796</u>
Unencumbered Cash, Ending	<u>\$117,796</u>			<u>\$117,796</u>

CITY OF ELKHART, KANSAS

Schedule 2-12

SEWER SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015

(with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Charges for Services:				
Sewer service charge	\$104,452	\$107,000	\$ (2,548)	\$105,556
Use of Money and Property:				
Interest on time deposits	<u>4</u>	<u>-</u>	<u>4</u>	<u>2</u>
Total Receipts	<u>\$104,456</u>	<u>\$107,000</u>	<u>\$ (2,544)</u>	<u>\$105,558</u>
<u>Expenditures</u>				
Personal services	\$ 94,164	\$ 70,000	\$ 24,164	\$ 68,014
Contractual services	19,290	15,000	4,290	21,856
Commodities	6,099	15,000	(8,901)	11,444
Capital outlay	6,945	20,000	(13,055)	24,968
Operating transfers	<u>6,000</u>	<u>55,000</u>	<u>(49,000)</u>	<u>6,000</u>
Total Expenditures	<u>\$132,498</u>	<u>\$175,000</u>	<u>\$ (42,502)</u>	<u>\$132,282</u>
Receipts Over (Under) Expenditures	\$ (28,042)			\$ (26,724)
Unencumbered Cash, Beginning	<u>36,494</u>			<u>63,218</u>
Unencumbered Cash, Ending	<u>\$ 8,452</u>			<u>\$ 36,494</u>

CITY OF ELKHART, KANSAS

Schedule 2-13

SEWER EQUIPMENT REPLACEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2015
 (with comparative actual totals for the prior year ended December 31, 2014)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Operating transfers	\$ 6,000	\$ <u>6,000</u>	<u>-</u>	\$ 6,000
<u>Expenditures</u>				
Capital outlay	<u>-</u>	\$ <u>47,000</u>	\$ <u>(47,000)</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 6,000			\$ 6,000
Unencumbered Cash, Beginning	<u>41,693</u>			<u>35,693</u>
Unencumbered Cash, Ending	\$ <u>47,693</u>			\$ <u>41,693</u>

CITY OF ELKHART, KANSAS

Schedule 2
(Continued)

SCHEDULES OF RECEIPTS AND EXPENDITURES

REGULATORY BASIS

For the year ended December 31, 2015

CITY OF ELKHART, KANSAS

Schedule 2-14

WATER CUSTOMER DEPOSITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Customer deposits received	\$ 8,922	\$ 10,130
<u>Expenditures</u>		
Customer deposits returned, forfeited or forfeitable	<u>8,922</u>	<u>10,130</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

CITY OF ELKHART, KANSAS

Schedule 2-15

WHISTLE STOP PARK BEQUEST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Donations	\$ 275	\$ 740
<u>Expenditures</u>		
Commodities	<u>6,119</u>	<u>2,037</u>
Receipts Over (Under) Expenditures	\$ (5,844)	\$ (1,297)
Unencumbered Cash, Beginning	<u>13,537</u>	<u>14,834</u>
Unencumbered Cash, Ending	<u>\$ 7,693</u>	<u>\$ 13,537</u>

CITY OF ELKHART, KANSAS

Schedule 2-16

SAFE PARK EQUIPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>	-	-
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	<u>4,495</u>	<u>4,495</u>
Unencumbered Cash, Ending	<u>\$ 4,495</u>	<u>\$ 4,495</u>

CITY OF ELKHART, KANSAS

Schedule 2-17

PIANO BEQUEST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>	-	-
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	<u>555</u>	<u>555</u>
Unencumbered Cash, Ending	<u>\$ 555</u>	<u>\$ 555</u>

CITY OF ELKHART, KANSAS

Schedule 2-18

ANIMAL FOUNDATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Donations	\$ 140	\$ 120
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 140	\$ 120
Unencumbered Cash, Beginning	<u>2,322</u>	<u>2,202</u>
Unencumbered Cash, Ending	\$ <u>2,462</u>	\$ <u>2,322</u>

CITY OF ELKHART, KANSAS

Schedule 2-19

MORTON STREET IMPROVEMENTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>	-	\$ -
<u>Expenditures</u>		
Contractual services	<u>-</u>	<u>15,708</u>
Receipts Over (Under) Expenditures	\$ -	\$ (15,708)
Unencumbered Cash, Beginning	<u>(15,708)</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ (15,708)</u>	<u>\$ (15,708)</u>

CITY OF ELKHART, KANSAS

Schedule 2-20

100TH CELEBRATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>	-	\$ -
<u>Expenditures</u>		
Commodities	<u>-</u>	<u>1,955</u>
Receipts Over (Under) Expenditures	-	\$ (1,955)
Unencumbered Cash, Beginning	<u>-</u>	<u>1,955</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

CITY OF ELKHART, KANSAS

Schedule 2-21

SPECIAL LAW ENFORCEMENT TRUST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2015
(with comparative actual totals for the prior year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
<u>Receipts</u>		
Miscellaneous	-	\$ 4,222
<u>Expenditures</u>		
Contractual services	<u>-</u>	<u>1,915</u>
Receipts Over (Under) Expenditures	\$ -	\$ 2,307
Unencumbered Cash, Beginning	<u>2,307</u>	<u>-</u>
Unencumbered Cash, Ending	\$ <u>2,307</u>	\$ <u>2,307</u>

